

# STATE OF ALASKA

**DEPARTMENT OF COMMERCE  
COMMUNITY AND ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA**

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October 30, 2006

Marlene H. Dortch  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, D.C. 20554

Karen Majcher  
Vice President – High Cost  
& Low Income Division  
Universal Service Administrative Company  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036

**Re: CC Docket No. 96-45  
Universal Service Support Certification (47 C.F.R. §§ 54.313-54.314)**

Ms. Dortch and Ms. Majcher:

This letter is submitted pursuant to 47 C.F.R. §§ 54.313 and 54.314, which require States to annually certify the use of federal universal service support as a prerequisite for continued receipt of funding by eligible telecommunications carriers ("ETC"). The Regulatory Commission of Alaska ("RCA") governs local services and rates in Alaska and is the appropriate authority to issue the certification required under Sections 54.313 and 54.314.

By Order dated January 25, 2006, the RCA designated Dobson Cellular Systems, Inc. ("Dobson") as an ETC in certain areas in the State of Alaska pursuant to 47 U.S.C. § 214(e)(2). On March 20, 2006, the RCA sent a letter certifying Dobson's use of support to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC").

On May 5, 2006, Dobson and Dobson Cellular Systems of Alaska ("Dobson Alaska") filed a joint motion with the RCA for, among other things, transfer ETC designation from Dobson to Dobson Alaska. By Order dated August 16, 2006, the RCA designated Dobson Alaska as an ETC in lieu of Dobson contingent upon, among other things, completion of reorganization and transfer of Dobson's assets, properties, rights, and obligations, including network facilities, switches, FCC licenses, customer contracts, customers, and interconnection agreements to Dobson Alaska. The RCA's Order designating Dobson Alaska as an ETC is enclosed herewith as **Exhibit A**. On October 6, 2006, Dobson and Dobson Alaska filed a notice of the completion of



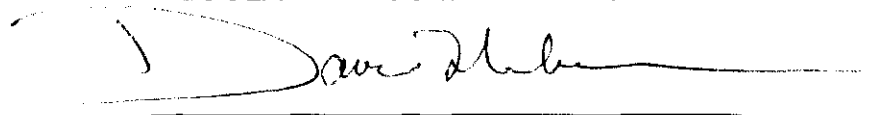
intercompany transfer of Dobson's Alaska assets to Dobson Alaska. Although Dobson Alaska is a non-regulated wireless carrier, the RCA has directed Dobson Alaska to file annual certifications with it concerning the Company's use of universal service support. The RCA will regularly review Dobson Alaska's responses in this area.

This letter serves as a supplement to the RCA's 2006 annual certification to the FCC and the USAC dated September 19, 2005. Dobson Alaska completed the conditions for transfer of ETC designation on October 6, 2006 – after the certification deadlines set forth in 47 C.F.R. §§ 54.313(d) and 54.314(d). As a result, Dobson's ETC status was officially transferred to Dobson Alaska October 6, 2006.

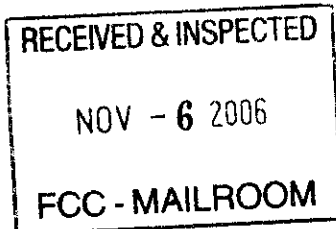
Pursuant to new FCC Rules 54.313(d)(3)(vi) and 54.314(d)(6), the RCA must certify Dobson Alaska's use of support to the FCC and USAC within sixty (60) days of the Company's ETC designation to ensure that Dobson Alaska is eligible to receive high-cost universal service support commencing the date of its ETC designation.

Dobson Alaska has certified to the RCA that all federal high-cost universal service support received by the Company in Alaska will be used pursuant to 47 U.S.C. § 254(e). Accordingly, the RCA declares that, to the best of its knowledge and belief, all federal high-cost support to be received by Dobson Alaska in the State of Alaska in calendar year 2006 will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act. In certifying Dobson Alaska's use of support in the State of Alaska for the 2006 calendar year, we intend for the Company to receive high-cost federal universal service support effective the date of the completion of its designation – October 6, 2006.

REGULATORY COMMISSION OF ALASKA

  
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Kate Giard  
Chairman

## **EXHIBIT A**



STATE OF ALASKA  
THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Kate Giard, Chairman  
Dave Harbour  
Mark K. Johnson  
Anthony A. Price  
Janis W. Wilson

In the Matter of the Application of DOBSON  
CELLULAR SYSTEMS, INC. for Designation as  
a Carrier Eligible to Receive Federal Universal  
Service Support under the Telecommunications  
Act of 1996

U-05-41  
ORDER NO. 3

**ORDER REOPENING DOCKET, GRANTING TRANSFER OF ELIGIBLE  
TELECOMMUNICATIONS CARRIER STATUS SUBJECT TO  
CONDITIONS, AND REQUIRING FILING**

BY THE COMMISSION:

Summary

We grant, in part, the Joint Motion filed by Dobson<sup>1</sup> and Dobson Alaska<sup>2</sup> to reopen Docket U-05-41. We designate Dobson Alaska as an eligible telecommunications carrier (ETC) in lieu of Dobson subject to conditions. We require Dobson Alaska to notify us when the transfer between Dobson and Dobson Alaska is concluded.

Background

Dobson and Dobson Alaska (the parties) jointly moved to reopen Docket U-05-41. The parties requested that we amend Order U-05-41(1) to designate Dobson Alaska as an ETC in lieu of Dobson and that we certify Dobson Alaska's use of

<sup>1</sup>Dobson Cellular Systems, Inc. (Dobson).

<sup>2</sup>Dobson Cellular Systems of Alaska, LLC (Dobson Alaska).

1 federal universal service funds for 2006 to the FCC and USAC.<sup>3</sup> The parties filed  
2 documentation certifying Dobson Alaska's use of federal universal service funding for  
3 2006.<sup>4</sup>

4 We noticed the Joint Motion on June 9, 2006, with a comment filing  
5 deadline of June 23, 2006. Alaska Telephone Company (ATC)<sup>5</sup> and Copper Valley  
6 Telephone Company<sup>6</sup> filed notices of non-opposition to the Joint Motion.

7 Discussion

8 We approved Dobson's application for designation as an ETC carrier for  
9 the purposes of receiving federal universal service support under the  
10 Telecommunications Act of 1996<sup>7</sup> for certain service areas in Alaska.<sup>8</sup>

11 The parties stated that Dobson Alaska is a new business entity and  
12 wholly-owned subsidiary of Dobson and that Dobson Alaska is created solely for the  
13 purpose of owning and operating the assets and operations of Dobson in Alaska.<sup>9</sup>  
14 Under an internal corporate reorganization plan, Dobson will transfer all of its Alaska  
15 assets, properties, rights, and obligations, including network facilities, switches, FCC  
16 licenses, customer contracts, customers, and interconnection arrangements to Dobson  
17 Alaska. Dobson Alaska will continue to provide the same services to all Alaska

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<sup>3</sup>*Joint Motion to Reopen Docket for Limited Purpose and Request for Issuance of*  
19 *Amended Order and Certification* (Joint Motion), filed May 5, 2006.

20 <sup>4</sup>Joint Motion, App. A.

21 <sup>5</sup>*Alaska Telephone Company's Non-opposition to Joint Motion*, filed May 9, 2006.

22 <sup>6</sup>*Copper Valley Telephone Cooperative, Inc.'s Non-opposition to Joint Motion*,  
filed May 11, 2006.

23 <sup>7</sup>The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996)  
24 amending the Communications Act of 1934, 47 U.S.C. §§ 151 *et seq.*

25 <sup>8</sup>Order U-05-41(1), *Order Affirming Electronic Ruling, Approving Application for*  
*Eligible for Telecommunications Carrier Status and Requiring Filings*, dated  
26 January 25, 2006.

<sup>9</sup>Joint Motion at 3-4.

1 business systems as Dobson. The parties said that the reorganization and transfer of  
2 assets from Dobson to Dobson Alaska will not result in any change in ownership,  
3 management, or control. The ultimate ownership, operation, and management of the  
4 Alaska operations will remain with Dobson.

5 The parties asserted that the reorganization will improve control and  
6 monitoring of Dobson's operations and ETC obligations in Alaska. The parties stated  
7 that the closing of the intercompany transfer of Alaska assets from Dobson to Dobson  
8 Alaska has not yet been finalized and is contingent upon our granting the Joint Motion.  
9 The parties stated that we would be notified upon completion of the reorganization.

10 Request for Transfer of ETC Status

11 The parties requested that we transfer Dobson's ETC designation to  
12 Dobson Alaska throughout the same designated service areas and subject to the same  
13 ETC obligations as Dobson. The parties asserted that the transfer of ETC designation  
14 to Dobson Alaska would eliminate disruption in universal service funding for the  
15 designated service areas and would avoid any gap in performing the obligations of an  
16 ETC.

17 The parties stated that Dobson Alaska has committed to undertake  
18 Dobson's ETC obligations. The parties said that Dobson Alaska will provide the nine  
19 supported services using the same network facilities and licenses currently used by  
20 Dobson.<sup>10</sup> The parties also stated that Dobson Alaska will meet the minimum  
21 advertising requirements to ensure appropriate and sufficient customer notification of its  
22 ETC services. The parties asserted that Dobson Alaska will meet the ETC obligation to

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26 <sup>10</sup>Joint Motion at 4.

1 provide the supported services throughout the designated services areas upon  
2 reasonable service request and will extend service pursuant to the seven-step plan  
3 approved by the commission in Order U-05-41(1) when it designated Dobson as an  
4 ETC. The parties also said that Dobson Alaska will report to the commission if it cannot  
5 provide service upon reasonable request without construction of a new cell site. The  
6 parties further stated that Dobson Alaska will assume the build-out and service  
7 improvement plan submitted by Dobson in Docket U-05-41. Dobson Alaska will  
8 participate in the annual certification process established by the commission.

9           The parties also stated that the transfer of ETC designation and  
10 operations from Dobson to Dobson Alaska will have no impact on the public interest  
11 because the unique advantages of Dobson's current services, including mobility, greater  
12 customer choice, and larger local calling areas, will remain the same.<sup>11</sup> The parties  
13 further stated that the transfer of ETC designation will not result in any change in the  
14 amount of universal service funding received for the designated service areas and in the  
15 ETC commitments and obligations undertaken by Dobson.

16           In the past, we have allowed the transfer of ETC designation from one  
17 entity to another. We transferred the ETC designation of GTE Alaska Incorporated  
18 (GTEA) to ATEAC, Inc. (ATEAC) when ATEAC purchased GTEA's assets. We  
19 determined that it was appropriate to transfer GTEA's ETC status and ETC obligations  
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26           <sup>11</sup>Joint Motion at 5.

1 to ATEAC, and eventually to the individual companies, to eliminate any disruption in  
2 universal service funding for the service areas to be transferred.<sup>12</sup>

3 We also transferred the ETC designation and obligation granted to MTA  
4 Wireless (MTAW) by Order U-03-86(3)<sup>13</sup> to MTA Communications, Inc. d/b/a MTA  
5 Wireless (MTAC)<sup>14</sup> when MTAW was merged into MTAC.

6 We believe that the motion to transfer Dobson's ETC designation to  
7 Dobson Alaska is reasonable, and we grant the Joint Motion, in part. We designate  
8 Dobson Alaska as an ETC in lieu of Dobson, subject to the following conditions:

- 9 • Dobson Alaska shall undertake the ETC obligations and commitments that  
10 currently apply to Dobson in regards to its ETC designation.
- 11 • The transfer of ETC designation and obligations from Dobson to Dobson Alaska  
12 shall be effective upon the completion of the reorganization and transfer of  
13 Dobson's Alaska assets, properties, rights, and obligations, including network  
14 facilities, switches, FCC licenses, customer contracts, customers, and  
15 interconnection arrangements to Dobson Alaska.

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18 <sup>12</sup>Order U-99-107(5), *Order Accepting Stipulation, Subject to Conditions; and*  
19 *Requiring Filing*, dated July 11, 2000. Docket U-99-107 is titled *In the Matter of the*  
20 *Joint Application of GTE ALASKA INCORPORATED and ATEAC, INC. to Transfer*  
21 *Certificate of Public Convenience and Necessity No. 3, Authorizing Provision of*  
22 *Telecommunications (Local Exchange) Public Utility Service, From GTE ALASKA*  
23 *INCORPORATED to ATEAC, INC.* See also Orders U-99-119(4), U-99-120(4),  
24 U-99-121(4), U-99-122(4), and U-99-123(4), designating ETC status to Alaska  
25 Telephone Company; Arctic Slope Telephone Association Cooperative, Inc.; TelAlaska,  
26 Incorporated d/b/a Mukluk Telephone Company, Inc. and Interior Telephone Company;  
and United-KUC, Inc.

<sup>13</sup>Order U-03-86(3), *Order Approving Application for ETC Status, Requiring*  
*Filing, and Closing Docket*, dated December 8, 2004.

<sup>14</sup>Order U-04-115(1), *Order Recognizing Affiliate Merger, Amending Certificate,*  
*Addressing Issues and Closing Docket*, dated January 21, 2005.

1 Request for Certification Letter

2 We submitted a letter to the Federal Communications Commission (FCC)  
3 and to the federal universal Universal Service Administrative Company (USAC)  
4 certifying Dobson's use of service funds for 2006.<sup>15</sup> The parties requested that we  
5 certify to the FCC and USAC Dobson Alaska's use of federal universal service funds for  
6 2006.<sup>16</sup>

7 We require Dobson Alaska to notify us within ten (10) days after the  
8 closing of the intercompany transfer of Alaska assets from Dobson to Dobson Alaska.  
9 We will certify Dobson Alaska for its use of universal service funds to the FCC and  
10 USAC after we are notified of the completion of the transaction.

11 ORDER

12 THE COMMISSION FURTHER ORDERS:

- 13 1. Docket U-05-41 is reopened.
- 14 2. The joint motion by Dobson Cellular Systems, Inc. and Dobson Cellular  
15 Systems of Alaska, LLC filed on May 5, 2006, is granted, in part, as further explained in  
16 the body of this order.
- 17 3. The designation of Dobson Cellular Systems, Inc. as an eligible  
18 telecommunications carrier eligible to receive federal universal service support under  
19 the Telecommunications Act of 1996 in the study areas of ACS of Alaska, Inc. d/b/a  
20 Alaska Communications Systems, ACS Local Service, and ACS for its Greatland study  
21 area; ACS of Alaska, Inc. d/b/a Alaska Communications Systems, ACS Local Service,  
22 and ACS for its Juneau study area; ACS of Anchorage, Inc. d/b/a Alaska

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24 <sup>15</sup>Order U-06-19, *Order Granting Certification Request and Closing Docket*, dated  
25 April 26, 2006. Docket U-06-19 is titled *In the Matter of the Request by Dobson Cellular  
Systems, Inc. for Certification of the Company's Use of Federal High-Cost Universal  
Service Support for Calendar Year 2006*.

26 <sup>16</sup>*Request for Expedited Consideration*, filed February 28, 2006.

1 Communications Systems, ACS Local Service, and ACS, ACS of Fairbanks, Inc. d/b/a  
2 Alaska Communications Systems, ACS Local Service, and ACS; ACS of the Northland,  
3 Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS for its Glacier  
4 State study area; Alaska Telephone Company; Copper Valley Telephone Cooperative,  
5 Inc.; City of Ketchikan; and Matanuska Telephone Association, Inc., is transferred to  
6 Dobson Cellular Systems of Alaska, LLC, subject to conditions as discussed in the body  
7 of this order and shall become effective upon the completion of the transfer as  
8 explained in the body of this order.

9 4. Dobson Cellular Systems of Alaska, LLC shall notify us within ten days  
10 after the closing of the intercompany transfer of Alaska assets from Dobson Cellular  
11 Systems, Inc. to Dobson Cellular of Alaska, LLC as discussed in the body of this order.

12 DATED AND EFFECTIVE at Anchorage, Alaska, this 16th day of August, 2006.

13 BY DIRECTION OF THE COMMISSION  
14 (Commissioners Dave Harbour and Janis W. Wilson,  
15 not participating.)  
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